ARGUMENTS/REMARKS

In the Non-final Office Action of June 8, 2010 (the "Office Action"): Claims 112, 114, 116-126, 129-144, 147-151, 153, 154, 157 and 161 are rejected under 35 USC 103(a) as being unpatentable over Chang et al (2003/125964 A1) ("Chang") in view of Endoh et al (US 4,924,328 A) ("Endoh").

Claim 112 claims "a method implemented in a computer for recording content distribution information in an adjunct to content, comprising: performing an exclusive-OR operation on information in an adjunct to content with copier related information each time a copy of the content is generated in a succession of copies of the content so that the information in the adjunct is modified to include the copier related information for the generation of each such copy," and such a method is believed to be neither taught nor suggested by Chang and Endoh, alone or in combination with each other.

Although Chang may update a watermark with a transferor's identification data (see ¶0049), it apparently does so in a direct manner by concatenating new user information into the watermark each time content is re-distributed (see ¶0050 "the transfer watermark interface module 476 updates the watermark by *adding* the consumer's IDxxxx to the watermark's history data").

As explained in the application, such a direct approach results in the size of the adjunct (e.g., watermark) growing as the content distribution path gets longer (see page 5, lines 23-29). Accordingly, it is an object of the present invention to provide a method for

recording content distribution information into an adjunct to content that does not substantially increase the size of the adjunct as the content distribution path gets longer (see page 6, lines 11-15).

To accomplish such objective, the present invention, as claimed in Claim 112, performs "an exclusive-OR operation on information in an adjunct to content with copier related information each time a copy of the content is generated in a succession of copies of the content so that the information in the adjunct is modified to include the copier related information for the generation of each such copy."

Chang, on the other hand, fails to teach or even suggest the use of an exclusive-OR operation for updating its watermark with a consumer's identification data IDxxxx. Therefore, the Final Office Action relies on newly cited Endoh as teaching this element of Claim 112.

However, such reliance is unwarranted since Endoh's use of an exclusive-OR (XOR) function is intended to be used in a copy-once system. As described, Endoh inhibits production of more than one copy by reading and setting a restriction flag included in a digital signal which a user may want to copy. See Col. 5, lines 17-59 and 6, lines 29-35. Further, Endoh's teachings only accommodate the identification of a single copier in the described application, as will be further explained below. Therefore, Endoh's XOR function cannot be performed "on information in an adjunct to content with copier related information each time a copy of the content is generated in a succession of copies of the content so that the information in the adjunct is modified to include the copier related

information for the generation of each such copy" as required in claim 112, since a *succession of copies* is clearly understood to mean that more than one copy is made and it is well established that each and every word in a claim must be considered in determining the claim's patentability.

Endoh uses an XOR function to encode an information source using an ID signal which is inherent to an individual recording/producing system. It then uses another XOR function to decode the encoded signal using the same ID signal in order to reproduce the original information source. See Col. 7, lines 33-49.

Thus, it is important to note that the reproduced signal, which results from such decoding, no longer has any information of the first recording/producing system. Therefore, even if a subsequent encoding of the reproduced signal were performed using a second ID signal, the encoded signal would only have information of the second ID signal. Information of the first ID signal has been lost. Therefore, the reproduced signal of this second copy does not "include the copier related information for the generation of each such copy" in a succession of copies of the content as required to teach this element of claim 112.

Accordingly, Claim 112 is believed to be patentable under 35 USC 103(a) over Chang in view of Endoh for the foregoing reasons.

Claims 114 and 116-123 are also believed to be patentable under 35 USC 103(a) over Chang in view of Endoh since they depend from Claim 112, and as such, are believed to be patentable for at least the same reasons stated in reference to Claim 112.

Claim 124 claims an apparatus performing the method of Claim 112, and as such, is believed to be patentable under 35 USC 103(a) over Chang in view of Endoh for essentially the same reasons as stated in reference to Claim 112.

Claim 125 claims "a method for extracting content distribution information from a copy of content, comprising performing an exclusive-OR operation a plurality of times on an adjunct to a copy of content generated from a succession of copies of the content so that copier related information for each copy of the content in the succession of copies is extracted one-at-a-time in inverse order following each performance of the exclusive-OR operation until information of an original copy of the content is detected," and such a method is believed to be neither taught nor suggested by Chang and Endoh, alone or in combination with each other.

As previously explained, Chang doesn't even mention the use of XOR operations for any purpose. Although Endoh performs XOR operations for encoding and decoding an information source, its technique is not suitable for including copier related information for each copy in a succession of copies (since it is a copy-once technique), as previously explained in reference to claim 112. Thus, even if Endoh's recording/reproducing system were allowed to make more than one copy, "information of an original copy of the content" would not be detectable because such information is eliminated during a subsequent reproduction of the information source.

Accordingly, Claim 125 is believed to be patentable under 35 USC 103(a) over Chang in view of Endoh for the foregoing reasons as well as any applicable reasons stated in reference to Claim 112.

Claims 126 and 129-135 are also believed to be patentable under 35 USC 103(a) over Chang in view of Endoh since they depend from Claim 125, and as such, are believed to be patentable for at least the same reasons stated in reference to Claim 125.

Claim 136 claims an apparatus performing the method of Claim 125, and as such, is believed to be patentable under 35 USC 103(a) over Chang in view of Endoh for essentially the same reasons as stated in reference to Claim 125.

Claims 136-144, 147-151, 153-154, 157, and 161 are also believed to be patentable under 35 USC 103(a) over Chang in view of Endoh for similar reasons as stated in reference to Claims 112, 114, 116-126, and 129-134, as applied to the relaying of packets of data through a plurality of network nodes.

Claims 112, 114, 116-126, 129-144, 147-151, 153, 154, 157 and 161 are pending in the application. Claims 1-111, 113, 115, 127, 128, 145, 146, 152, 155, 156 and 158-160 have been cancelled. Reconsideration of the rejection of the claims is respectfully requested and an early notice of their allowance earnestly solicited.

Respectfully submitted,

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